

OCCUPATIONAL CODE (EXCERPT)
Act 299 of 1980

339.728 License to engage in practice of public accounting; application by firm; report; requirements; change in address; practice of public accountancy without license under subsection (1); conditions; other professional services practiced without license.

Sec. 728. (1) A firm shall apply for and obtain a Michigan license under this article in order to engage in the practice of public accounting in this state if either of the following apply:

(a) The firm establishes or maintains an office in this state.

(b) An individual who represents the firm performs an engagement described in section 720(1)(a)(i), (iii), or (iv) for any client that has its home office in this state.

(2) A report produced pursuant to an engagement described in subsection (1)(b) may be supervised or signed, or the report's signature may be authorized for the firm, by an individual who is practicing public accounting in Michigan under section 727a.

(3) A firm that is applying for licensure under this article shall meet both of the following requirements:

(a) At least a simple majority of the equity and voting rights of the firm are held directly or beneficially by individuals who are licensed in good standing as certified public accountants of this state or another state or the equivalent in another licensing jurisdiction acceptable to the board. Owners who are not certified public accountants must be active individual participants in the firm or its affiliated entities. An individual with practice privileges under section 727a who performs services for which a firm license is required under this section is not required to obtain a certificate under section 726 or a registration or license under section 727.

(b) All attest and compilation services provided by the firm in this state are performed under the supervision of an individual who is licensed and in good standing as a certified public accountant in this state or another state or the equivalent in another licensing jurisdiction acceptable to the board.

(4) A firm shall notify the department of any change in address within 30 days of the change.

(5) A firm that is not required to obtain a Michigan license under subsection (1) may perform a review engagement in accordance with the statements on standards for accounting and review services, perform an examination, other than an engagement described in section 720(1)(a)(iii), a review, or agreed-upon procedures engagement in accordance with the statements on standards for attestation engagements, or perform a compilation for a client that has its home office in this state, may use the title "CPA" or "CPA firm", and may practice public accountancy as authorized in this section without a license issued under subsection (1) only if it meets both of the following conditions:

(a) It has met the requirements in subsection (3)(a) and (b) and section 729(2).

(b) It performs those services through an individual who has practice privileges under section 727a.

(6) A firm that is not required to obtain a Michigan license under subsection (1) and that is not seeking to practice under subsection (5) may perform other professional services within the practice of public accountancy while using the title "CPA" or "CPA firm" in this state without a license issued under subsection (1) only if it meets both of the following conditions:

(a) It performs those services through an individual with practice privileges under section 727a.

(b) It can lawfully do so in the licensing jurisdiction where those individuals with practice privilege have their principal place of business.

History: Add. 1997, Act 10, Imd. Eff. May 16, 1997;—Am. 2000, Act 334, Imd. Eff. Dec. 20, 2000;—Am. 2008, Act 161, Imd. Eff. June 11, 2008;—Am. 2010, Act 215, Imd. Eff. Nov. 23, 2010;—Am. 2014, Act 177, Imd. Eff. June 17, 2014;—Am. 2016, Act 76, Eff. July 4, 2016.

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